of Delhi for a period of two years but they were reposted nearby Delhi before the expiry of their rural .assignments; and

(d) if so, what are the names of those officers of the State Bank of Indore, Delhi branches who were reposted around Delhi before expiry of the period of their rural assignments stating the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) and (b) Yes, Sir. As per guidelines issued by the Government, an officer in JMGS-I becomes eligible for promotion to MMGS-II provided he has rendered a minimum of 7 years service in JMGS-I and of which two years service is in a rural area. Similarly, an officer with 5 years satisfactory service in Scale-II becomes eligible for promotion to MMGS-III provided he has put in a minimum of 3 years service in rural/semi-urban area. This is inclusive of two years of rural service prescribed for promotion from JMGS-I to MMGS-II. As regards the specialised officers, he should take the requisite rural/semi-urban experience as and when he switches over to the main stream of Banking.

(c) and (d) Information is being collected and to the extend available will be laid on the Table of the House.

NRI held for cheatingJBank

2308. SHRI RAGHAVJI: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a news item which appeared in the Hindustan Times dated 17th February, 1995 under the caption "NRI held for cheating Bank";

(b) whether it is a fact that the origin of the racket was a letter allegedly written by the Manager of the Dasna Branch of SBI to the stationery department, Faridabad, to procure high value drafts of Rs. 10 lakhs, denomination; if so, what are the details of the letter, whether the authenticity of the letter had been established, or it provide to be a fake one;

(c) whether any person of the Department was in collusion with the NRI in cheating the bank and who was later on caught at Saharanpur branch of the bank; if so, whether any arrests have been made and what are details of the investigation; and

(d) what are the fool-proof steps his Ministry is taking so that such incidents do not take place again?

THE MINISTER OF STATE IN' THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir.

(b) and (c) State Bank of India (SBI) has reported that some miscreants had obtained blank draft forms of different series on the strength of a letter purported to have been sent by the Dasana Branch of the Bank to Circle Stationery Department, Faridabad. The letter purported to have been signed by Shri Sudhakar Gupta, Manager, Dasana Branch contains a request to the Stationery Deptt, to deliver draft books and certain other documents to one Shri R.K. Gupta, officer posted as the branch whose signatures had been attested. The Bank has reported that the letter is a fake one. The case has been handed over to CBI who have registered a case for investigation. Shri Lal Budhrani who managed to fraudulently take delivery of blank draft forms and put them to use was arrested by the U.P. Police at Saharanpur and handed over to C.B.I. The collusion of others will come to light only after the completion of the investigation. The bank has also conducted an internal investigation and is seized of the matter.

(b) The bank has issued cautionary instructions to all its branches to guard against recurrence of such frauds/incidents. The RBI has advised all public sector banks to implement the recommendations of the Ghosh Committee on the precautions to be observed for the issue/safe custody of cheque/draft books and payment thereof which are mainly as follows:

(i) to exercise due caution for verficiation of the drawer's signature, custody of specimen signatures cards, supervision over issue of cheque books and control over custody of blank cheque books/ leaves;

(ii) to introduce a practice of examining cheques/drafts for large amounts under ultraviolet ray lampsi

(iii) to treat blank draft and mail transfer forms as security items and usual precautions

for such instruments should be exercised in regard to their custody and issue;

(i v) that amounts on drafts/mail transfers may be written by protectograph machines or pin point typewriters or similar other suitable device to minimise the chances of their being chemically altered. At smaller branches where the drafts are written in hand, reverse carbon should be used on the reverse of the instruments.

Functioning of SBI

2309. SHRI KAILASH NARAIN SARANG: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the State Bank of India, Central Office, Bombay have engaged the services of Mc Kenzie to suggest some reforms in the smooth functioning of the SBI network;

(b) if so, what are the details of the reforms;

(c) whether it is a fact that among other suggestions, they have suggested that JMGS-I, MM-II and MM-III should not be transferred from one module to another module;

(d) whether it is a fact that SBI Central Office, Bombay have already implemented this decision and have requested various Local Head Offices in the country to implement it; and

(e) if so, by which month and year, the SBI Local Head Office, New Delhi in particular and other Local Head Offices, in General, are going to implement this suggestion?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) State Bank of India has reported that they had engaged the consultancy firm of M/s Mc Kinsey & Co. to assist in the review of the Bank's strategies, structure, systems, etc. so as to bring them in alignment with environmental changes and take the Bank to world class standards.

(b) The broad recommendations made by the Consultants are as follows:

(i) Restructuring of the Bank's Central Office and Local Head Offices on the basis of distinct business units with profit centre responsibilities.

(ii) Revamping of certain critical processes such as credit, financial management and human resources management.

(iii) Regrouping of various business units on the basis of linkages, commonality of services, under senior functionaries. The five groups identified for the purpose are:

(a) National Banking (b) Consumer Banking (c) Corporate Banking (d) International Banking (e) Associates and Subsidiaries.

(c) and (d) No. Sir.

(e) Does not arise.

Setting up of Economic Security Council

2310. SHRI RAMDAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the former Commonwealth Secretary General, Sir Shridath Ramphal. who is the Co-Chairman of the Commission on Global Governance, has urged India in his press conference on 9.3.95 in New Delhi, to advocate for setting up of an "Economic Security Council" on the lines of W.T.O. (World Trade Organisation) failing which the interests of the poor nations would be marginalised as reported in the "Hindustan Times'dated 10.3.95; and

(b) if so, what steps Government proposed to take before presentation of Final Report in this regard to the U.N. General Assembly on October 22nd this year for discussion and consideration?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a). There is no formal proposal before the United Nations for the creation of an Economic Security Council. The Economic Security Council was suggested by two UNDP reports, but there is no actionable proposal before the United Nations and member states of the UN have not so far engaged in any substantive discussions on this proposal.

(b) Does not arise.

'Performances of SCICI'

2311. SHRI V. HANUMANTHA RAO: Will the Minister of FINANCE be pleased, to state: